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Superintendent

TO: School District Personnel

FROM: Mike Waterman, OPI School Finance Division

DATE: November 1, 2006

SUBJECT: OBTAINING PAYMENTS FOR STATE-PAID TUITION

As a result of HB83 from the 2005 legislative session, the Office of Public Instruction (OPI) now makes tuition and transportation payments for certain students. OPI's School Finance Division configured the MAEFAIRS system to make these payments, and that system is ready for district use. This document will address student eligibility, allowable tuition and transportation costs, and the steps required by the district to obtain the payments.

STUDENTS ELIGIBLE FOR STATE-PAID TUITION

20-5-321 (d) and (e), MCA identify circumstances under which OPI will pay tuition and transportation costs. OPI bears these costs for non-resident students if:

- the child is under the protective care of a state agency or has been adjudicated to be a youth in need of intervention or a delinquent youth, as defined in 41-5-103, or
- the child is required to attend school outside of the district of residence as the result of a placement in foster care or a group home licensed by the state.

Note that OPI interprets the second group of students to include students placed in a foster care or group home by their parents.

ALLOWABLE TUITION AND TRANSPORTATION COSTS

OPI pays the district's regular annual tuition rate, not to exceed the statutory limits for students attending a school under these circumstances. As described in ARM 10.7.106A, OPI will also pay these students' over-schedule transportation costs. OPI will prorate both annual amounts based on the number of days each student was enrolled.

Districts receive tuition and transportation payments in the fiscal year following the year of attendance. Districts may accrue the amount generated but not received during a given fiscal year. However, doing so may adversely affect the ensuing year's General Fund budget. As a result, OPI encourages districts to consider the budgeting consequences when deciding whether or not to accrue tuition payments.

"It is the mission of the Office of Public Instruction to improve teaching and learning through communication, collaboration, advocacy, and accountability to those we serve."

OBTAINING PAYMENT

As mentioned above, MAEFAIRS generates the payments for students with state-paid tuition. DISTRICTS WILL NOT RECEIVE PAYMENT UNTIL THEY ACCESS MAEFAIRS AND INITIATE THE PAYMENT. In general, districts must follow five steps in order to obtain these payments. However, districts that have submitted FP-14 Student Attendance Agreements for students attending during the 2005-2006 school year may skip to step 3 of this process:

1. Complete an FP-14 Student Attendance Agreement and FP-14A Special Tuition Rate forms, if applicable. These forms document the reason for the out-of-district attendance and specify the annual tuition and transportation rates. The district of attendance should initiate the paperwork process. Note that districts must complete a new form each school year.
2. Submit the forms to OPI immediately upon enrolling an eligible student, and no later than June 30 of the year of attendance. OPI will review the forms for legal compliance and return them to the district of attendance. If approved, OPI will also enter the student's information into MAEFAIRS. Districts cannot change the OPI-entered information. Districts must therefore contact OPI with any changes or corrections to a student's record.
3. Enter each student's days enrolled in MAEFAIRS before June 30 of the year *following* the year of attendance. Districts must log on to MAEFAIRS through IRIS on OPI's website and then follow these steps to submit the information to OPI:
 - a. Select the "Tuition" and "Data Entry" buttons.
 - b. Double-click on "Step 1: FP-14" to access the list of approved students for your district.
 - c. Double-click on each student. Verify each student's information and then enter his/her number of days enrolled.
 - d. After entering the information for all students, exit the screen.
 - e. Double-click on "Step 2: Submit to OPI." Note that you cannot submit until you have entered the number of days enrolled for all students in your district.
 - f. Select the appropriate district(s) and click the submit button. Exit the screen.
 - g. Click on the "Reports" button and then double-click on "FP15."
 - h. Select the appropriate district(s) and click the "Continue" button. Print a copy of the report for your records.
4. MAEFAIRS will automatically generate a payment for your tuition and transportation amounts. Districts will receive payment with their next regularly scheduled state entitlement payment (see the schedule posted at: <http://www.opi.mt.gov/schoolfinance/stpaymts2.html#sep>).
5. Deposit the payment to the appropriate funds. OPI sends tuition payments to the General Fund and transportation payments to the Transportation Fund. Under certain circumstances, however, districts may deposit tuition proceeds into the Miscellaneous Programs Fund in accordance with 20-5-324, MCA. Contact your county treasurer if you wish to redirect your funds.

You can find additional information--including all forms, a summary of Montana tuition laws, and rate limitations--online at <http://www.opi.mt.gov/SchoolFinance/tuition2.html>. Please contact Mike Waterman at (406) 444-4524 if you need additional information about tuition or the approval process or Kathleen Wanner at (406) 444-9852 if you have any questions about your payment.